

# COMMITTEE REPORT

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## MR. PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 289, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be **AMENDED** as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new  
2       paragraph and insert:  
3       "SECTION 1. IC 27-1-25-1 IS AMENDED TO READ AS  
4       FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this  
5       chapter:  
6       (a) "Administrator", **except as provided in section 7.5 of this**  
7       **chapter**, means a person who collects charges or premiums from, or  
8       who adjusts or settles claims on, residents of Indiana in connection  
9       with life or health coverage or annuities, whether provided for by an  
10      insurer or a self-funded plan. The term "administrator" does not include  
11      the following persons:  
12      (1) An employer for its employees or for the employees of a  
13      subsidiary or affiliated corporation of the employer.  
14      (2) A union for its members.  
15      (3) An insurer, including:  
16          (A) an insurer operating a health maintenance organization or  
17          a limited service health maintenance organization; and  
18          (B) the sales representative of an insurer operating a health

- 1 maintenance organization or a limited service health  
2 maintenance organization when that sales representative is  
3 licensed in Indiana and when it is engaged in the performance  
4 of its duties as the sales representative.
- 5 (4) A life or health insurance agent licensed under IC 27-1-15.5  
6 whose activities are limited exclusively to the sale of insurance.
- 7 (5) A creditor for its debtors regarding insurance covering a debt  
8 between them.
- 9 (6) A trust established under 29 U.S.C. 186 and the trustees,  
10 agents, and employees acting pursuant to that trust.
- 11 (7) A trust that is exempt from taxation under Section 501(a) of  
12 the Internal Revenue Code and:
- 13 (A) the trustees and employees acting pursuant to that trust; or  
14 (B) a custodian and the agents and employees of the custodian  
15 acting pursuant to a custodian account that meets the  
16 requirements of Section 401(f) of the Internal Revenue Code.
- 17 (8) A financial institution that is subject to supervision or  
18 examination by federal or state banking authorities.
- 19 (9) A credit card issuing company that advances for and collects  
20 premiums or charges from its credit cardholders as long as that  
21 company does not adjust or settle claims.
- 22 (10) An individual who adjusts or settles claims in the normal  
23 course of his practice or employment as an attorney at law, and  
24 who does not collect charges or premiums in connection with life  
25 or health insurance coverage or annuities.
- 26 (11) A health maintenance organization that has a certificate of  
27 authority issued under IC 27-13.
- 28 (12) A limited service health maintenance organization that has  
29 a certificate of authority issued under IC 27-13.
- 30 (b) "Certificate of registration" refers to the certificate required by  
31 section 11 of this chapter.
- 32 (c) "Commissioner" refers to the commissioner of insurance.
- 33 (d) "Financial institution" means a bank, savings association, credit  
34 union, or any other institution regulated under IC 28 or federal law.
- 35 (e) "Insurer" means a person who obtains a certificate of authority  
36 under IC 27-1-3-20.
- 37 (f) "Person" means an individual, a corporation, a partnership, a  
38 limited liability company, or an unincorporated association.

(g) "Self-funded plan" means a plan for providing benefits for life, health, or annuity coverage by a person who is not an insurer."

Page 1, line 3, delete ""downcode" means to" and insert **""administrator" means a person that administers claims for health care services under an insurance policy."**

Page 1, delete lines 4 through 8.

Page 2, line 1, delete ""insurer" means a person that issues" and insert **""recode" means to change a code used by a provider of health care services on a claim for covered services provided to an insured to a different classification code using the most current edition of either of the following:**

**(1) International Classification of Diseases.**

**(2) Current Procedural Terminology."**

Page 2, delete line 2.

Page 2, line 3, delete "downcode" and insert **"recode"**.

Page 2, line 3, delete ", before" and insert **"the administrator provides written notice to the insured and the provider that the administrator has recoded the claim together with:**

**(1) the insurer's explanation of benefits to the insured; and**

**(2) an explanation of remittance to the provider of the health care services.**

**(g) The notification required under subsection (f) must include at least the following:**

**(1) An appropriate ANSI code or other reason code, or both, along with a specific description of the reasons for recoding the claim.**

**(2) A toll free number that the provider or the insured may use to contact the administrator to obtain additional information.**

**(3) The procedure that a provider may use to submit a request for a review of the initial decision to recode a claim.**

**(4) A list of additional information that the provider must submit in a request for a review of the initial decision to recode a claim."**

- 1 Page 2, delete lines 4 through 42.
- 2 Delete page 3.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 289 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 9, Nays 0.

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**Senator Miller, Chairperson**